

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 479 – HB 384

January 21, 2014

SUMMARY OF ORIGINAL BILL: Increases, from six to eight, the number of members on the Carroll County Watershed Authority board. Requires two new members to be appointed by the Speaker of the House of Representatives and the Speaker of the Senate.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (008302): Deletes all language after the enacting clause. Authorizes the Carroll County Watershed Authority to issue refunding bonds which refinance or refund existing bond issues which have been used for the purpose of paying costs for the acquisition of land or interests in such land, for the development of the resources of Carroll County, and expenses incidental to such development.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Other Fiscal Impact – A precise decrease in local government expenditures cannot reasonably be determined due to multiple unknown factors; however, any fiscal impact to local government will be permissive.

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 64-1-804(a)(7), the Carroll County Watershed Authority (the Authority) may issue bonds. The provisions of the bill will give the Authority the ability to also issue refunding bonds.
- Pursuant to Tenn. Code Ann. § 64-1-809(a), Carroll County and any municipality within Carroll County are authorized, but not required, to contribute to the work of the Authority in any amount, approved by the respective local legislative body, to be paid from the local government's general fund.
- If the Authority issues refunding bonds at a lower coupon rate than the coupon rate on existing bonds, it may result in a permissive decrease in expenditures for any local government currently contributing to the Authority.

- However, any permissive decrease in expenditures for such local governments cannot be reasonably quantified due to multiple unknown factors such as, the coupon rate on the refunding bond, the amount of savings resulting from a lower coupon rate, the amount of any contribution currently paid by a local government to the Authority for repayment of current bonds issued, and the amount of any decrease in such contribution.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jrh